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SUBJECT: KAZAKHSTAN: 'THE TENGIZ BRAWL' HIGHLIGHTS UNDERLYING
PROBLEMS

ASTANA 00000501 001.2 OF 002

11. (SBU) Summary: A recent fight between Turkish and Kazakhstani workers at the Tengiz oilfield involved over 400 people and has received widespread public attention. Despite isolated press reports that as many as a dozen Turkish workers were killed during the fight, our TengizChevroil (TCO) contacts have assured us there were no fatalities or life-threatening injuries. While reactions have varied widely, the incident has helped stir Kazakh nationalism and led many to pose questions about wage inequalities and possible discrimination against Kazakh laborers. End summary.

The Fight

12. (U) On Friday, October 20, a brawl broke out at the Tengiz oil field in Atyrau oblast between Kazakh and Turkish workers. (Note: Kazakhstani workers at Tengiz tend to be ethnic Kazakhs. The Tengiz oil field is operated by Tengizchevroil, a joint venture between Chevron (50%), ExxonMobil (25%), KazMunaiGaz (20%) and LukArco (5%). Nearing the end of a labor-intensive expansion phase, the field currently employs 14,000 workers. End note.) The official investigation conducted by the procuracy and the National Security Committee ("KNB") determined that the brawl started with an argument between a Kazakh worker and two Turkish workers, when the latter refused to sign the former's work authorization form. According to the investigation, a heated exchange followed, leading to the two Turkish workers striking their Kazakh counterpart. Witnessed by a large number of employees - both Kazakh and Turkish - the incident quickly grew into a mass brawl. Early reports of fatalities have been refuted.

The Aftermath

13. (SBU) TCO General Director Todd Levy announced on November 2 that 196 individuals had been injured in the fight, including 193 Turks, two Kazakhs, and one Indian. TCO's Government Relations Director, Antonio Palmeirim, told Econoff later the same day that the true number of Kazakhs injured in the melee was not known, as many had left the site with minor injuries and received treatment at home. Palmeirim reported that, contrary to the more lurid press reports, no one had been killed or received a life-threatening injury during the melee. One Turkish worker, he said, had undergone minor surgery for a concussion.

14. (SBU) Ted Etchison, Chevron's Deputy Managing Director for the

company's Eurasia Business Unit, called Ambassador Ordway on October 22, seeking an introduction to the Turkish Ambassador in order to solicit the latter's help in calming Turkish workers and averting a threatened walk-off of nearly 1000 Turkish contract employees. (At that time, Etchison estimated that nearly 400 Turks had already left the field, mostly to seek medical attention.) Etchison reported later that the Turkish employees, as well as the Turkish Ambassador, were demanding that security measures at Tengiz be bolstered in order to avoid similar incidents in the future. Etchison told the Ambassador that TCO would make every effort to meet the demands.

15. (SBU) Palmeirim reported on October 31 that TCO had successfully averted a massive walk-off, and that work activities at the field were gradually returning to normal. He later spelled out some of the specific security measures that were being put into place at the field, including the assignment of nearly 200 Kazakhstani police to the site, the installation of surveillance cameras and identification checks at working and accommodation sites, and the temporary segregation of employees in their living quarters. Palmeirim noted that a new, global security plan, negotiated by TCO, its contractors, and Atyrau oblast officials, would soon be implemented.

Public Reaction

16. (U) While the Tengiz brawl is not unprecedented, its scale has attracted a great deal of attention from both politicians and the media. The remarks of the Turkish Ambassador to Kazakhstan - that the Turkish workers are "guests" in Kazakhstan, and Kazakhstan, therefore, bears the responsibility - were perceived negatively by many Kazakhstani observers. Mazhilis Deputy Nurpeis Makhashev, an Otan-affiliated representative of a district in the Atyrau oblast and former president of an oil company, was quoted in the pro-government "Megapolis" newspaper as blaming unspecified "forces in the world" that "do not want stability in Muslim countries." The article goes on to conclude that "what is left to do is find an

ASTANA 00000501 002.2 OF 002

obvious American trace." Opposition "Svoboda Slova", on the other hand, chose to search for causes of the Tengiz brawl deep within. The fight, it opined, represents a "revolt of national consciousness," "a splash of ancestral memory," and a "revival of the genetic code developed over several centuries" of "glorious battles defending the Kazakh steppes."

17. (U) The reaction of the government and high-profile officials has been much more tempered. A spokesman for the Kazakhstani MFA said in a news conference that the Tengiz incident "was caused by routine problems," will not harm Kazakhstani-Turkish ties, and "by no means reflects the spirit and content of the bilateral cooperation between the brotherly peoples of Kazakhstan and Turkey." Dariga Nazarbayeva, leader of the Aimak faction in the Parliament, has called on the Foreign Investors' Council to "take measures for resolving conflicts at enterprises with foreign participation." (Note: The Foreign Investors' Council is an advisory body established in 1998 by Presidential order to promote dialogue between the GOK and foreign investors. End note.) Nazarbayeva remarked that the main causes behind the growing trend of conflicts at foreign-owned enterprises are violations of labor regulations and worker safety guidelines, lack of attention to social problems, and a discrepancy between wages of local and foreign workers. She added that the government needs to pay more attention to preparing more skilled workers from the midst of the local population.

18. (SBU) Comment: Although the proximate cause of the 'Tengiz brawl' was a garden-variety fight, the incident highlights underlying issues. One is Kazakhstan's lack of skilled workers, a deficit that commonly leads foreign investors to hire a volatile mix of higher-paid skilled foreigners alongside unskilled Kazakh laborers. This contributes to a nationalist undercurrent, further fueled by simmering disaffection over the failure of Kazakhstan's economic boom to significantly improve the lot of much of its regional population. The occasional result, as in the case of the Tengiz brawl, is an outpouring of moderate populist anger against

foreigners perceived to benefit from Kazakhstan's natural riches at the Kazakhstanis' expense. End comment.

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